

STATE OF SOUTH CAROLINA

Application of South Carolina Electric & Gas Company for
Implementation of Time-Of-Use Rates for Residential and
Commercial Customer Classes

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2007 - 171 - E

(Please type or print)

Submitted by: K. Chad Burgess

SC Bar Number: 69456

Address: SCANA Corp.
1426 Main Street MC 130
Columbia, SC 29201

Telephone: 803-217-8141

Fax: 803-217-7931

Other: _____

Email: chad.burgess@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	



March 20, 2008

K. Chad Burgess
Senior Counsel

chad.burgess@scana.com

VIA ELECTRONIC FILING

The Honorable Charles Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Application of South Carolina Electric & Gas Company for Implementation of
Time-of-Use Rates for Residential and Commercial Customer Classes
Docket No. 2007-171-E

Dear Mr. Terreni:

By Order No. 2007-386 dated May 23, 2007, issued in the above-referenced docket, the Public Service Commission of South Carolina ("Commission") approved a new, voluntary time-of-use electric rate offering for the commercial customer class of South Carolina Electric & Gas Company ("SCE&G" or "Company") entitled "Rate 28, Small General Service, Time-of-Use Demand" ("Rate 28").¹ For the reasons set forth below, SCE&G respectfully requests that the Commission issue an order suspending Rate 28 indefinitely, effective March 20, 2008.

In designing Rate 28, the Company evaluated its current, Commission-approved time-of-use rate, namely, Rate 16, to ensure that Rate 28 would produce approximately the same amount of revenue as Rate 16 on an annual basis. In rate design, this concept is referred to as "revenue neutrality." In order to achieve revenue neutrality among Rate 28 and Rate 16, the Company examined a twelve-month total revenue amount produced by Rate 16 and the corresponding customer group load characteristics. Additionally, as part of its analysis, the Company included within its calculations all energy and meter count data from calendar year 2006 and the most current demand survey samples. Based upon this information, the Company designed the structure of Rate 28 to produce approximately the same amount of revenue as Rate 16.

Recently, SCE&G conducted a review of Rate 28 to examine whether the rate would perform as originally intended. After completing this examination, SCE&G discovered that Rate 28 would not function as intended with respect to revenue neutrality. In order to correct this deficiency in the rate, SCE&G is currently evaluating various rate design options and in the near future will file with the Commission for approval either a revised Rate 28 tariff sheet or a new, voluntary time-of-use electric rate offering for the commercial customer class.

¹ The Commission also approved adjustments to this rate as part of SCE&G's most recent general rate proceeding. See Commission Order No. 2007-855 issued in Docket No. 2007-229-E.

(Continued . . .)

As SCE&G works toward resolving the revenue neutrality issue with Rate 28, the Company respectfully requests that the Commission issue an order authorizing SCE&G to suspend Rate 28 indefinitely, effective March 20, 2008. Enclosed for filing is a revised Rate 28 tariff sheet which includes language informing the Company's customers that Rate 28 is no longer available by the Company. For your ease of reference, we have also prepared and included herewith a red-lined version of the updated rate sheet showing where the revision has been made.

The effect of suspending Rate 28 will preclude any customers from requesting and taking service under this rate as of March 20, 2008. To date, no customers are taking service under Rate 28; however, prior to the date of this letter, we are aware of nine customers who have requested service under Rate 28 and at the time of their request SCE&G advised these customers that service was available to them under Rate 28. SCE&G intends to discuss this matter with these customers and advise them of the action that the Company will be taking in connection with Rate 28.

By copy of this letter, we are advising the South Carolina Office of Regulatory Staff of SCE&G's request.

Thank you for your consideration of this matter. If you have any questions, please advise.

Very truly yours,



K. Chad Burgess

KCB/kms
Enclosures

cc: Randy Watts
Shannon Bowyer Hudson, Esquire

RATE 28**SMALL GENERAL SERVICE
TIME-OF-USE DEMAND**
(Page 1 of 2)**AVAILABILITY**

Effective March 20, 2008, this schedule is closed and not available to any customer.

This rate is available to any non-residential customer using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for power and light requirements and having an on-peak demand of less than 500KW. The second billing month within a twelve billing month period that on-peak demand exceeds 500 KW will terminate eligibility under this rate schedule. It is not available for resale service.

CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

RATE PER MONTH

I. Basic Facilities Charge:	\$ 20.15
II. Demand Charge:	
A. On-Peak Billing Demand:	
1. Summer months of June-September @	\$ 16.37 per KW
2. Non-Summer months of October-May @	\$ 10.23 per KW
B. Off-Peak Billing Demand	
1. All Off-Peak Billing Demand @	\$ 1.64 per KW
III. Energy Charge:	
A. On-Peak Kwhrs.	
1. All On-Peak Kwhrs. @	\$ 0.05288 per Kwhr.
B. Off-Peak Kwhrs.	
2. All Off-Peak Kwhrs. @	\$ 0.04068 per Kwhr.

BILLING DEMAND

The billing demands will be rounded to the nearest whole KW. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand or (2) the contract demand minus the on-peak billing demand.

DETERMINATION OF ON-PEAK HOURS**A. On-Peak Hours:**

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

October-May:

The on-peak non-summer hours are defined as those hours between 6:00 a.m.-10:00 a.m. and 6:00 p.m.-10:00 p.m.

Monday-Friday, excluding holidays.*

B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction cost in addition to the rate charges above.

ADJUSTMENT FOR FUEL COSTS

Fuel cost of \$.02630 per Kwhr. are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

STORM DAMAGE COMPONENT

The energy charges above include a storm damage component of \$.00038 per Kwhr. for accumulation of a storm damage reserve.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

POWER FACTOR

If the power factor of the customer's installation falls below 85%, the Company may adjust the billing to a basis of 85% power factor.

RATE 28

SMALL GENERAL SERVICE
TIME-OF-USE DEMAND

(Page 2 of 2)

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and to obtain any other data necessary to determine the customer's load characteristics.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. Contracts for installations of a permanent nature shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

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